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FM AMEMBASSY KUALA LUMPUR
TO RUEHC/SECSTATE WASHDC 7799
INFO RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE
RUEHC/DEPT OF INTERIOR WASHINGTON DC

UNCLAS SECTION 01 OF 03 KUALA LUMPUR 001957

STPDTS

SENSITIVE SIPDIS

OES FOR ASSISTANT SECRETARY MCMURRAY INTERIOR FOR FWS/INTERNATIONAL AND NPS/INTERNATIONAL

E.O. 12958: N/A

TAGS: <u>SENV</u> <u>TBIO</u> <u>MY</u> <u>BX</u> <u>ID</u>

SUBJECT: HEART OF BORNEO: SARAWAK VIEWS

REF: A. KUALA LUMPUR 1835

¶B. BANDAR SERI BEGAWAN 497

SENSITIVE BUT UNCLASSIFIED, NOT FOR INTERNET DISTRIBUTION

- 11. (SBU) Residents of the Malaysian State of Sarawak are demonstrating increasing support for environmental conservation efforts, but have only a limited awareness of the proposed Heart of Borneo initiative aimed at integrating and enhancing the conservation efforts of Malaysia, Indonesia and Brunei. In addition to budgetary concerns, some Sarwakians doubted the state government,s commitment to environmental protection, given the economic importance of the oil and gas, timber, and oil palm industries. Environmental activists that econoff met with maintained that concrete goals and projects, decided in a transparent manner, must be part of the HOB project from the outset to ensure success. They also noted the critical role of Sarawak,s chief minister. The Ambassador is scheduled to meet the Chief Minister to discuss HOB at the end of November. End summary.
- 12. (SBU) During a visit to the state of Sarawak, in northwestern Borneo, October 11-13, econoff met with representatives of several environment-related organizations to gauge the general environmental awareness of Sarawak residents, and to query specifically about the groups, interest in, and support for, the proposed Heart of Borneo (HOB) conservation initiative (see reftels). Residents of Sarawak increasingly support conservation efforts, though several interlocutors noted that the state government,s tight budget was currently hampering its ability to manage existing parks and forest reserves. Most interlocutors professed limited knowledge of the relatively new Heart of Borneo initiative, but they had uniform praise for the project,s professed goal of integrating and enhancing forest conservation efforts among the governments of Borneo, in the region encompassing their common borders.

Malaysian Nature Society

13. (U) Representatives from the Sarawak branch of the Malaysian Nature Society (MNS) told econoff that they have seen slow but steady progress on environmental awareness among residents of Sarawak. They noted in particular the very positive public reaction to a weekly column on environmental topics, written by MNS volunteers, in one of East Malaysia,s leading daily newspapers, "The Borneo Post". While local government leaders and bureaucrats are also gradually becoming aware of the benefits of environmental protection, including through the promotion of eco-tourism, the MNS reps lamented that a general lack of coordination and

communication among different government agencies tended to limit the government,s ability to act effectively.

- 14. (SBU) Although only generally aware of the proposed Heart of Borneo (HOB) project, the MNS reps told econoff that the project will be successful in Sarawak only if the highest levels of the Sarawak government (i.e., the Chief Minister and his staff) are openly and strongly supportive; otherwise the fragmented government bureaucracy could prove an impediment. They also suggested that the project be launched with specific, detailed goals; a grand announcement that merely initiated enhanced dialogue among the three countries (Malaysia, Brunei and Indonesia) might not overcome the tendency for inertia to set in once the spotlight fades.
- 15. (SBU) The MNS reps also pointed out that the close links between HOB and the WWF could be problematic, given the expulsion of the WWF from Sarawak in the early 1990s over its strong criticism of government resettlement policy for the semi-nomadic Palan tribe. (One of the reps cynically mused that WWF was pushing HOB in part to regain a significant foothold in Sarawak.) Ineffective implementation of the state government,s issuance of research permits could also prove an impediment to the HOB's success; MNS said overly stringent government officials had limited such permits, at odds with state legislation that was intended to encourage such research.

Wildlife Conservation Society

16. (SBU) Melvin Gumal of the Malaysian branch of the Wildlife Conservation Society (WCS) told econoff that environmental awareness in Sarawak has increased significantly in recent years. He nevertheless pointed out that WCS has found that

KUALA LUMP 00001957 002 OF 003

- it operates more effectively by limiting publicity of its activities, rather than emphasizing environmental problems and the inability and/or unwillingness of local governments to resolve them. He contrasted WCS, continued strong presence in Sarawak over the years with the WWF and its difficulties in staying active and relative in the state.
- 17. (SBU) Like the MNS reps, Gumal suggested that the HOB,s success will hinge on the pursuit of specific projects, rather than raising environmental awareness. He pointed out that other smaller-scale environmental initiatives in Sarawak could use additional funding, and would perhaps seek inclusion under the broader HOB project, where feasible. Gumal also expressed concern about the ability of the Sarawak Forestry Corporation (which manages the state,s parks and reserves) to effectively implement HOB, given a sharp cut in its funding which has left it with half the staff that it had just a few years ago. MNS reps confirmed to econoff that the SFC was severely understaffed and unable to effectively manage the areas under its authority.

World Wildlife Fund -- Sarawak

18. (SBU) Dato, Seri Safri Awang Zaidell, who formerly was the Deputy State Secretary in the Sarawak government, but now represents a newly constituted WWF in Sarawak, was optimistic about the Sarawak government,s commitment to the success of the HOB project. He acknowledged to econoff the WWF,s past difficulties in Sarawak, but claimed the state government would be able to work effectively with WWF on HOB. Safri implied that his fairly close ties to the upper reaches of state government were instrumental in resurrecting the WWF in Sarawak, and would ensure that the HOB be viewed positively within the government.

Borneo Resources Institute Malaysia

- 19. (SBU) Econoff discussed a variety of environment-related issues with associates of the Borneo Resources Institute Malaysia (BRIMAS) in the northern Sarawak city of Miri, near Brunei. One area of particular concern to BRIMAS is the effect of government policies, both environmental and non-environmental, on the welfare of Sarawak, s indigenous population. Although the BRIMAS reps indicated that Sarawak has relatively strong environmental protection laws, some dating to the 1930s, poor enforcement was a constant problem. Harrison Ngau Laing, a lawyer who specializes in land title law, told econoff that tight state budgets leave government surveyors unable to delineate boundaries in much of Sarawak. At the same time, the government looks unfavorably on private sector land surveys to make up for government deficiencies. As a result, the government issues concessions to timber and oil palm companies for land that is frequently within the boundaries claimed as "native customary land" by indigenous people.
- 110. (SBU) Although BRIMAS is disposed favorably to the HOB, the reps noted concern that the needs of any indigenous people living within the HOB boundaries be considered as decisions are made. Like WCS and MNS, BRIMAS noted the importance of imposing strict conditions on funding for the HOB, and the need for a transparent process as well. Their overriding concern is that, based on their past experience, commercial interests tend to receive more favorable treatment from the state government than indigenous people or environmental issues.

Sarawak Timber Association

111. (SBU) Lee Hua Seng, CEO of the Sarawak Timber Association (STA), told econoff that his member companies, in particular the "Big Six" firms that dominate the state,s timber industry, would be responsible partners on HOB. He noted that STA had previously worked effectively with NGOs on other conservation efforts. Lee mentioned the increasing importance of Forestry Stewardship Council certification of timber exports, which more importing countries, in particular the EU member states, now require of timber firms. Lee said Sarawak,s mandatory chain of custody procedures for logs and timber worked well, but noted that the EU continues to be concerned about transshipment of illicit Indonesia timber through Sarawak.

Comment

KUALA LUMP 00001957 003 OF 003

112. (SBU) Our interlocutors, guarded praise for the HOB initiative stemmed primarily from a lack of information about the project. There was widespread agreement that the initiative,s success will require a more transparent process than has been the case in previous environmental projects involving the state government. Sarawak,s support for the HOB initiative will be on the agenda for the Ambassador,s upcoming visit to Sarawak in late November, including a meeting with the state,s Chief Minister, whose active support will be crucial for the initiative,s success. SHEAR